



ROUTING AND RECORD SHEET

OPM-11
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SUBJECT: (Optional)

Monthly Report -- Key West Bureau

FROM:

Chief, Operations Group

EXTENSION

NO.

DATE

June 1988

TO: (Officer designation, room number, and building)

DATE

RECEIVED

FORWARDED

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1.

C/Ops

14 JUL 1988

2.

3.

C/E&PS

4.

DD/FBIS

15 Jul

B

5.

D/FBIS

6.

7.

PO/RA

18 Jul Am

8.

SA/CD

7/19/88 CD

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10.

C/AS

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C/B&F/AS

12.

C/PERS

13.

14.

C/AG

21/7

mw

15.

Exec. Reg.

FOREIGN BROADCAST INFORMATION SERVICE
KEY WEST BUREAU



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FBIS-4043-88

1 July 1988

MEMORANDUM TO: Director, Foreign Broadcast Information Service

THROUGH: Chief, Operations Group

SUBJECT: Monthly Report--Key West Bureau--June 1988

I. GENERAL

1. As sham turned to farce, things in Haiti came apart once again when the military overthrew President Manigat and we scrambled to report on the media treatment of it. After the Wire alerted the bureau chief late in the night of 19/20 June to the flash material being filed by Panama, we got in touch with [redacted], our lady in Port-au-Prince, in the wee hours of Monday morning. Not surprisingly, she was already monitoring the radio even then and practically dictated an FYI on the spot. Although we lost communications with her later in the day when Haiti's telephone operators hunkered down until events sorted themselves out, we eventually were able to receive copy when she switched from her telephone-tethered PC to the embassy's communications system to get her translations to us.

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2. According to [redacted] things were not nearly as bad this time around, especially compared to events last November when the patron saints of windshield smashers and tire burners ran amok. Her only disappointment was that Panama had stolen her thunder by beating us to the gun with all those timely press agency reports.

II. OPERATIONS

A. Monitorial/Editorial

1. In addition to the coup in Haiti, Cuba kept us busy with its own media excitement. First, Havana TV was quick to pick up Panamanian accusations against FBIS, referring to us as a "CIA creature" with electronic ears "in the service of evil."

2. In other major stories, the Cuban media gave full play to this month's quadripartite talks in Cairo aimed at a negotiated settlement guaranteeing the independence of South-West Africa and ending the fighting in Angola. Radio Reloj also scored some propaganda points reporting on the visit by a South African brother and sister to their soldier brother who is recuperating in Havana from his wounds received in Angola.

3. On the weather front, both radio and TV reported on torrential rains this month which caused extensive damage to Cuba's sugar plantations and raw sugar supplies. The rains

triggered the worst floods in 30 years, claiming at least two dozen deaths, the loss of much livestock, and the evacuation of thousands of people. Surprisingly, Havana radio also reported during the storm that a tornado had destroyed 5 MiG-21's on the ground near Camaguey.

4. We were also witnesses this month to extensive media coverage of two visiting VIP's--Afghanistan's Najibullah and Nicaragua's Danny Ortega--as Fidel continued to play host to a passing parade of ardent admirers and advice seekers.

5. Elsewhere in the Caribbean, the fragile political and economic order of things in the Dominican Republic reminded us once again this month of our precarious grip on the poorly heard radios from that country. As part of the larger plan to improve this coverage, the bureau chief has arranged to visit Santo Domingo later in July to meet with embassy people and discuss the problem.

B. Lateral Services

We were pleasantly surprised to hear from HQS that Elliott Abrams, Assistant Secretary of State for Inter-American Affairs, had commended us for our coverage of Haiti and Cuba. State is also an avid fan of our cruising messages on what and how the Soviets are broadcasting out of Cuba.

C. Communications

1. A seemingly minor spill of our copy in HQS after the Miami Radio Relay Facility had rerouted our traffic this month quickly turned our commo on its ear. At month's end, a worldwide format change had at least put a temporary fix to this ASCII/Baudot conversion problem.

2. Amazing as it was to south Floridians, a barge cut our underwater fiber-optics phone line at the end of the month--the seventh time in less than two years that the only line to serve the Keys with all its communications has been severed--leaving us without any means to get our copy out for over eight hours. Southern Bell announced afterward that it is "considering" installing a back-up system--either another cable or a microwave transmitter.

D. Technical

1. Monitor/Editor [] this month came up with a neat use of DoubleDos to give [] in Port-au-Prince more flexibility in doing her work. Coordinating with ADD, Irma conceived of a software arrangement that would allow Maria to switch between Write Now and ProComm so that she can continue to process while she waits, sometimes longer than we would like, to get a phone line to hook up our PC with hers. At month's end, we were awaiting receipt of the software that had been tested successfully at HQS.

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2. Bureau Engineer [] installed a Liebert UPS to our BACHGEN PC, providing 100 percent protection against loss of processed material due to power glitches or outages.

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E. Cruising

1. Radio Taino--the Spanish and English service intended for foreigners visiting Cuba--made front page headlines in the Miami Herald this month by staying on the air way past its normal shutdown time at sunset. As a result, we received calls from the FCC and State wondering what was going on. Despite newspaper speculation that the Cubans were retaliating for plans to launch a "TV Marti," our cruising message put things in perspective, since the radio station had announced earlier that it would be staying on late for several days to broadcast an international music festival at Varadero, the famous beach resort near Matanzas.

2. Taino was back in the news later in the month when it again began staying on the air late into the evening hours and potentially interfering with U.S. stations. The extra broadcast hours this time also used a new frequency and featured lots of reasons tourists should take advantage of inexpensive prices and spend their hard currency vacationing in Cuba. We continued to monitor the station's behavior closely at month's end.

III. ADMINISTRATION

A. Personnel

1. [] our contractor in Port-au-Prince, broke her elbow in a fall at the embassy late in the month. Intrepid warrior that she is, though, she was back on the job the next day, arm in cast, pecking away at her PC keyboard with her one good hand. In a more pleasant time earlier in the month, she received news of her promotion. The well-timed announcement came on the eve of her TDY here, giving us an ideal excuse for a party.

2. [] our first monitor/editor to be hired in almost a year, is scheduled to EOD on 1 August. We hope to welcome Pedro and his new wife to Key West later that month after he completes a couple of weeks of processing and orientation at HQS.

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3. One of the few times we have ever caught [] our chief teletypist, off guard occurred on 10 June at a surprise promotion party. The normally chatty Duke was truly speechless, especially when informed we were on the level and there were no strings attached.

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B. Buildings and Grounds

1. As if miracles never ceased, the contractor hired by the Navy finally finished patching our roof this month. The work order went out last August.

2. Thanks to the efforts of [redacted], who rescued some FY87 monies back from the Navy where they were hopelessly entangled, we now have a spacious pre-fab storage shed to provide much needed room for our spillover. Although the building was originally to be made of concrete block, we were happy to get the metal shed, especially after waiting in vain so long for our Navy friends to get on with the construction.

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3. Work continued at the housing site this month as we covered the poor quality ceilings on our back porches with sheetrock for a more finished appearance.

IV. VISITS

To the bureau:

1. [redacted] and the rest of the DDS&T CDC members, 6 June.
2. [redacted] career trainee/Admin Staff, 8-9 June.
3. [redacted] Port-au-Prince contractor, 6-8 June.
4. [redacted], former Panama Bureau cruising monitor, en route to Okinawa, 18-19 June.
5. Bob Guill, Cohen and Dippell engineer, 16 June.
6. Navy Captain Schreckengaust, CINCLANT Deputy IG, 22 June.
7. Intelligence Analysis Reserve Unit 0166/Office of Chief of Naval Operations (25 people), 24 June.
8. Commander Jessie Ross, new Naval Security Group Activity Key West commanding officer, 27 June.
9. Colonel Louis Mcadory, new U.S. Forces Caribbean J-2, 30 June.

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V. COMMUNITY AFFAIRS

1. The bureau chief attended change of command ceremonies on 17 and 30 June for the Coast Guard Detachment on Trumbo Point and the Naval Security Group Activity here on Truman Annex. The outward bound commanding officers--Captains Norman Saunders and Lauren Nelson--were good friends of the bureau and will be missed. Fair winds and following seas to both.

2. Please see attached Miami Herald article on development and high cost of living in the Keys.

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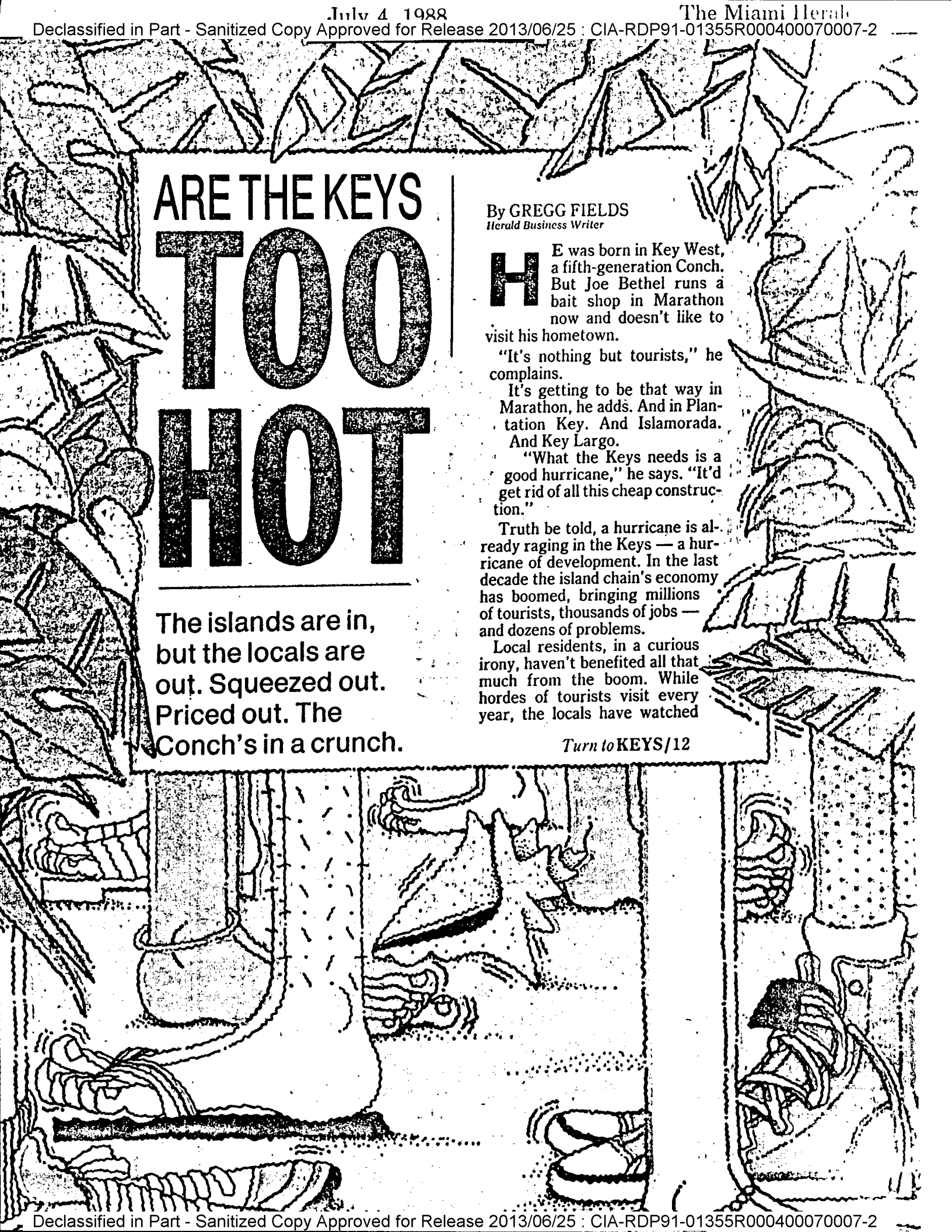
[redacted]
Chief, Key West Bureau

Attachments: Political Cartoon
Miami Herald Article

cc: C/Panama Bureau, C/Paraguay Bureau

JIM MORIN'S VIEW





ARE THE KEYS TOO HOT

The islands are in,
but the locals are
out. Squeezed out.
Priced out. The
Conch's in a crunch.

By GREGG FIELDS
Herald Business Writer

HE was born in Key West, a fifth-generation Conch. But Joe Bethel runs a bait shop in Marathon now and doesn't like to visit his hometown.

"It's nothing but tourists," he complains.

It's getting to be that way in Marathon, he adds. And in Plantation Key. And Islamorada. And Key Largo.

"What the Keys needs is a good hurricane," he says. "It'd get rid of all this cheap construction."

Truth be told, a hurricane is already raging in the Keys — a hurricane of development. In the last decade the island chain's economy has boomed, bringing millions of tourists, thousands of jobs — and dozens of problems.

Local residents, in a curious irony, haven't benefited all that much from the boom. While hordes of tourists visit every year, the locals have watched

Turn to KEYS/12

KEYS / from 1

their market penetrated by national chains — from K mart to Marriott. While thousands of jobs have been created, thousands of people have moved in, so wages haven't risen much more than anyplace else.

And housing prices have soared out of reach for many people. Throughout the Keys, residents are doubling up with roommates, working two jobs and living in places that are almost uninhabitable, but better than no place at all.

"That's the price of paradise, or so I'm told," lamented Valarie Wheeler.

She is a waitress at both the Green Turtle and Whistle Stop restaurants in Islamorada.

"To me, it's become just another place to live because I end up working 12 hours a day, six days a week."

There's also concern that development may damage the Keys' fragile ecosystem. Environmentalists were aghast at a government plan — halted for now — to allow offshore oil drilling. The Keys has North America's only living coral reef.

Perhaps nowhere in Florida was the fight between environmentalists and developers so bitter as with the Port Boggainville residential community in Key Largo. The project was approved, but the development failed and is now fenced in.

Last year, dozens of the endangered Key deer were killed by speeding motorists. And sportfishermen say the growth in their industry and commercial fishing has

depleted fishing stock in local waters, hurting business. Last year, charter boats weren't allowed to bring in kingfish during the winter because of the shortage.

"I'm going to have to give it up," said Floyd Lewis, who charges \$200 for a half-day fishing. "People won't pay that kind of money for a boat ride."

Most important, there's fear that the Keys — otherwise known as Monroe County — will lose their distinctiveness. Florida's ankle bracelet of sun-washed coral atolls always was a delightful mix of contradictions: hip and historic, laid-back and rebellious, rural yet worldly. In short: paradise.

"We want to retire here," said George Martin, of Jupiter, who was visiting Islamorada recently.

In fact, the Keys remains a special place to many people, problems notwithstanding.

"It's worth it to me," says Jack Steffney, who has been a charter boat captain for 31 years in the Keys and who contends the waters are still a good place to fish and make a living.

But even Keys lovers complain of traffic, crowds and high costs caused by the boom. And many Keys residents are asking: What price paradise? It's a question that other parts of Florida must one day answer when they confront

the economic issues facing the Keys.

"Unfortunately, the Keys have been discovered," said Bowman Brown, a Miami attorney who discovered them himself a decade ago.

Between 1970 and 1980 the population jumped 20 percent, to 63,188 from 52,586, according to Census figures. Between 1980 and 1986, the population went up another 14 percent, to 72,471. The numbers sound small. But so are the islands.

Brown recently remodeled his Key Largo retreat. But he's concerned that the encroachment of strip shopping centers and heavy

traffic will make Key Largo, the closest island to Miami, a quasi-suburb.

"I think [growth] should have been controlled more, more like Sanibel and Captiva," Brown said.

Certainly, the Keys are still appealing.

"What hasn't changed is the small-town atmosphere," said Jim Gibbs, director of the Islamorada Chamber of Commerce. "What has changed are the traffic patterns."

Residents use another analogy. What has changed are housing costs, they say, and what hasn't changed are wage levels.

Largely because of real estate

prices, Census figures routinely show that the Keys is the most expensive place to live in Florida. There's simply a shortage of land on which to build. In a county that's only half a mile wide, things fill up fast. Then prices rise.

In addition, much space is owned by resorts or part-time residents. The result is residents scramble for housing even as homes sit empty much of the time.

The Keys economy makes it difficult to buy or rent a good home, too. The economy is dependent on just one industry — tourism —

and just one season — winter. (The lone exception is scuba diving, which peaks in July and August.)

Because good money can't be earned all year long, household income can't match the higher home costs. Per capita income in Monroe was \$14,026 in 1986, below the state average of \$14,630. But the cost-of-living index is nearly 10 percent higher than the state average, making Monroe County the state's most expensive. Housing is 17 percent higher than the state average.

The seasonal swings also make budgeting difficult.

"If you're smart, you put some money away during the season," said Susie Morgan. She earned \$50 a day serving a six-table station in a restaurant last season.

Morgan had a large, comfortable home in upstate New York before moving to the Keys a few years back. When she and her husband, Bobby, went house shopping recently, they had to settle for a double-wide trailer on Plantation Key.

Economic leaders say the affordable-housing crunch could have se-

vere ramifications. Tourism lives and dies on service workers. Many of them don't earn much, and it's doubtful that those workers can be attracted if forced to live in substandard housing.

"These people making \$200 to \$250 a week can't afford it here," said Dick Drake, executive vice president of TIB Bank of the Keys in Key Largo. "And what do you do with a tourism industry once you run out of service people?"

If help-wanted signs are an indication, jobs are going wanting already. Unemployment is virtually

unheard of in the Keys, with surveys putting it at less than 4 percent.

But despite the unquenched thirst for workers, the average wage per job was only \$13,642 in Monroe County in 1984 compared with \$16,716 in Broward and \$17,723 in Dade, according to Census figures.

more. Drake estimated that the average home in Key Largo costs \$135,000. In Dade it's \$104,000 and in Broward \$95,000.

"This is unfortunately becoming a rich man's resort community," Drake said.

Employers say they are powerless to bring wages up. Many Keys businesses are small and not particularly profitable.

For instance: "There must be 15 dive stores go out of business every year in the Keys," said Don Joyner, who runs a dive shop in Looe Key.

Joyner said a dive shop's costs are high. The air compressor used to fill scuba tanks cost him \$40,000. A dive boat can run more than \$50,000.

So even though his shop has annual revenues of \$350,000, Joyner can't be terribly generous on wages.

"I pay \$7 per hour, with time and a half for over 40 hours," he said. "That's not much, but most people around here pay minimum wage," which is \$3.35 per hour.

The Keys' economic challenges are particularly acute in Key West, even though the job base is slightly more diversified because it's the county seat and the Navy has personnel there.

Two million tourists pour into Key West annually, making even more demands on the available space. The tiniest house in the Old

Town area can cost more than \$150,000. The Key West Board of Realtors says the average single-family home there costs \$167,000. Mobile homes average \$70,000. The cheapest one-bedroom apartments start at \$450 monthly.

"All property managers surveyed reported extremely low vacancy rates," said Mary Hamilton, executive officer of the board.

According to Key West Mayor Richard Heyman, that's giving rise to an alarming economic trend: the working homeless.

"There are many homeless on our streets who are working every day," he said. They sleep in their cars or stay with friends, he said. Or they pay inflated prices for temporary shelter. Heyman says tiny sleeping rooms go for \$100 a week.

Landlords demand stiff deposits because Key West attracts transients. That makes it even more difficult to get a nice place.

Business leaders say the housing shortage is being felt in other ar-

along the city's Duval Street commercial strip. The city is trying to get government grants to bus in workers from other keys.

The service worker shortage is particularly important because the city's prime market is upscale travelers. The Marriott, the Hyatt, and the Pier House are among the elegant hosteleries, carrying some of the highest room rates in Florida.

In Key West, average room rates can top \$150 a day during peak tourist season, according to John Markham, a principal with Pannell Kerr Foster accounting firm. In Greater Miami, in contrast, rates top out at about \$100, Markham said. At the new Hyatt resort in Key West, the cheapest

in-season room is \$265.

Heyman says the upscale orientation will continue as Key West develops as a center for international arts festivals. And an estimated 20 percent of the city's tourists are gay men, a group with large disposable income. According to the Key West Business Guild, gay travelers spend about \$125 each day in addition to their rooms.

"The real question is whether we'll have enough employees to give people their money's worth," said Walt Marlowe, president of the guild.

"I think Key West is a great place to live," he added. "But all of us have to realize we're a small town with big-city problems."

To be sure, many people in Key West realize it. Pritham Singh, for instance. He is developing a massive resort community around the former retreat of President Truman. Included in the Truman Annex plans are two upscale hotels, 60 shops, 241 housing units and a yacht club. Singh's also building some "affordable" condominiums that will sell for less than \$100,000.

"Housing, I think, is taking care of itself," Singh said. "That doesn't mean the city should let up. But in Key West, it's a solvable problem."

Singh said he thinks the city's other economic problems — while painful — are simple growing pains that eventually will reach equilibrium.

"You have so many positive things that people are looking for an Achilles heel," he said. "People point to housing, or they raise the labor problem and say you can't find good people to work. We haven't had that problem."

Welcome as Singh's affordable condos are, they're not enough. Heyman estimated that the city

may need 1,000 affordable housing units. Singh's building 162, and people who will work for him are given preference.

Affordable housing "is the No. 1 issue facing the community," Heyman said.

And lately, people have been thinking about the future of Key West's black community as well. Property values have soared in the black neighborhood called Bahama Village.

"I could get \$100,000 for this place right now," said Alfred Whitehead, sitting on the front porch of his home. He paid \$2,000 for it in 1930.

But if Bahama Village residents sell out, they'll have to move away to enjoy their real estate profits. Then Bahama Village, which has got through plenty of bad times, might not make it through the good ones.

"Most folks these days, if they can get a few dollars more, will sell," Whitehead said. He sighed. "If you got a good place to live, why get rid of it? Where you gonna go?"

CRAMPED AND COSTLY

As Monroe County's population edges up ...

... per capita income stays below Florida's average ...

... but the cost of living soars.

